TWENTY-EIGHTH
ANNUAL REPORT

2001

(Fiscal Year ended June 30th)

The Law Foundation of Saskatchewan
Regina, Sask.

102-04576/

THE LAW FOUNDATION

The Law Foundation of Saskatchewan
28th Annual Report for the Year Ended June 30th, 2001
to the Honourable Minister of Justice of Saskatchewan
and to the Law Society of Saskatchewan,
pursuant to Section 79 of The Legal Profession Act,
1990, and Amendments thereto

During its 28 years of operation, the Foundation has received income exceeding $40,000,000 from interest on funds in lawyers' mixed trust accounts and its investments. Except for administration costs and funds held in the Grant Stabilization Reserve and Unallocated Revenue, all of that money has been expended on the Foundation's statutory purposes of legal education, legal research, legal aid, law libraries, and law reform. Most of the funds were spent in Saskatchewan except for projects national in nature and usually supported by other Canadian Law Foundations. Projects of an on-going nature are: Law Society Libraries, Public Legal Education Association, Saskatchewan Legal Education Society, College of Law/Law Foundation of Saskatchewan Endowment Fund, Native Law Centre, Centre for studies in Agriculture, Law and the Environment, University of Saskatchewan, and the Law Foundation of Saskatchewan Legal Aid Endowment Fund Trust.

The interest calculation on trust accounts is based on the prime rate which was at 6½% on the 30th June 2001. The Foundation received income of $3,400,000 from mixed trust accounts in 2000/2001, compared to $3,000,000 in 1999/2000. The increased revenue is due to improved terms with financial institutions, a high prime rate and increased economic activity through lawyers' mixed trust accounts.

Grants authorized and unpaid at the end of the year totalled $3,375,840. The Grant Stabilization Reserve remains at $5,000,000 and the Unallocated Revenue balance at $61,469. The day-to-day operations of the Foundation are handled by the Secretary, Mr. H. Robert Arscott, F.C.A., of Regina.

The Foundation authorized the following grants for the year ended 30th June 2001:

Law Foundation of Saskatchewan Legal Aid Endowment Fund Trust			$1,080,000
Law Society Libraries	- annual	$600,000	
	- Rural Computer Training	69,000	
	- Printer	35,000	704,000
Public Legal Education Association	- annual	$422,646	
	- Peaceful Schools	64,500	
	- Aboriginal Project	30,000	517,146
College of Law - Instructional Technology			235,000
College of Law, Law Foundation of Saskatchewan Endowment Fund	- special		120,000
	- annual		75,000
Court of Queen's Bench	- Rules Regarding Service Costs	$148,475	
	- Rules of Practice	21,787	
	- Class Action Rules	21,787	192,049
Saskatchewan Courts Public Information Committee - Secretariat			120,000
Legal Aid of Saskatchewan	- Standards	113,000	
	- National 25th Anniversary	11,350	124,350
Saskatchewan Legal Education Society Inc.	- annual	74,329	
	- Bar Admission Course - Aboriginal Content	10,000	84,329
Native Law Centre	- annual	$62,170	
	- Publishing	5,000	
	- Therapeutic Justice	17,000	84,170
Law Reform Commission	- annual	$55,000	
	- Summer Student	6,600	61,600
Law Society Libraries	- Sask. Case Law	$50,000	
	- Land Titles Education Program	46,200	
	- Access to Justice	40,500	136,700
Attorney General of Saskatchewan	- Adult Guardianship	$20,000	
	- Mediation Services Evaluation	40,000	60,000
Elizabeth Fry Society	- Native Courtworker - annual	$38,000	
	- Outreach	37,270	75,270
Association of Frankophone Jurists			22,964
Estey Centre - Conference			16,500
University of Regina - Conference - Faculty of Social Work			15,000
Saskatoon Sexual Assault and Info. Centre			12,000
Diefenbaker Centre			10,000
Salvation Army	- Shoplifting	$ 6,000	
	- Special	4,000	10,000
I. Hingley - Workbook			5,605
Saskatchewan Elocution & Debate	- Special	$10,500	
	- Annual Debate	5,000	
	- Workshops 2000 and 2001	6,000	21,500
Saskatoon Community Mediation	- Professional Development	$ 4,100	
	- Peer Training	20,000	
	- Drama Project	5,000	
	- Conference	10,000	39,100
University of Regina Debate Society			767
			$3,823,050

Financial Highlights

	2001	2000	1999	1998	1997
Revenue from all sources	$3,806,498	$3,258,917	$2,571,080	$1,655,947	$1,003,000
Grants authorized	3,823,050	1,894,452	1,504,436	1,457,203	1,492,000
Administrative expenses	156,310	124,186	125,957	107,083	104,200
Grant stabilization reserve	$5,000,000	$5,000,000	$3,965,000	$3,025,000	$2,925,000

The Grant Stabilization Reserve allows the Foundation to continue funding its major core grants of approximately $1,400,000 annually without major reductions. The Reserve protects core projects and allows for their orderly management during times of reduced income to the Foundation.

In view of an unprecedented excess of revenue over expenditure, the Foundation invited core grantees and other interested groups to make representations to the Foundation for one-time projects that the Foundation otherwise would be unable to consider. The Chair and the Treasurer conducted many meetings with these groups and submitted recommendations to the members of the Foundation for consideration. Many projects received funding on a once-only basis such as the Legal Aid Services, review of Court of Queen's Bench Rules, College of Law, University of Saskatchewan, Instructional Technology, and the College of Law Endowment Fund.

Special One-Time Grants Approved in 2000-2001

Law Foundation of Saskatchewan Legal Aid Endowment Fund Trust		$1,080,000
College of Law Instructional Technology		235,000
Court of Queen's Bench		
Rules regarding Service Costs	$148,475	
Rules of Practice	21,787	
Class Action Rules	21,787	192,049
Law Society - Law Libraries		154,000
College of Law, Law Foundation of Saskatchewan Endowment Fund		120,000
Saskatchewan Courts Public Information Committee - Secretariat		120,000
Saskatchewan Legal Aid Services Standards		113,000
Law Society of Saskatchewan - Land Titles Education	$ 46,000	
- Access to Justice	40,500	86,500
Attorney General of Saskatchewan		60,000
Elizabeth Fry Society Community Outreach		37,270
Saskatoon Community Mediation Centre		
Peer Training	$ 20,000	
Summer Drama Project	5,000	25,000
Native Law Centre - University of Saskatchewan		22,000
Saskatchewan Legal Education Centre		
- Bar Admission Course Aboriginal Content		10,000
		$2,254,819

Meetings of the Foundation

The Foundation members meet regularly on a quarterly basis throughout the year. It was necessary to hold four extra meeting days due to consideration of the Special One-Time Grant applications. Four members attended the annual meeting of the Canadian Association of Law Foundations held in conjunction with the Canadian Bar Association annual meeting in Saskatoon in August 2001. At the annual meeting, the Canadian Foundations discuss projects of a national nature and other matters of mutual interest. Representatives of the Saskatchewan Law Foundation continually emphasize the national importance of the Native Law Centre at the University of Saskatchewan and request the continued support of the Canadian Foundations for this worthy project.

During the past, approximately 18 months, the Foundation, under the direction of Alma Wiebe, Q.C., has undertaken and completed a comprehensive review of its current policies and grant criteria and has revised, deleted and added to its policies. In doing so, the Foundation spent a significant amount of time considering its past, current and future direction in light of its legislated mandate. The policy review should be completed at the Foundation's December 2001 meeting.

Ms. Ann Phillips, Q.C., directed the creation of a Law Foundation Web Site at www.lawfoundation.sk.ca using the Law Libraries' expertise.

The Foundation received a national award in April 2001 from the Canadian Association for Community Education in recognition of its assistance to implement the Saskatchewan League of Peaceful Schools throughout the Province of Saskatchewan.

The present members of the Foundation are: Mr. Harry Dahlem, Q.C. (Chairperson), Ms. Ann Phillips, Q.C. (Vice-Chairperson), Mr. Gordon Wicijowski, L.L.D, F.C.A. (Treasurer), Dean Beth Bilson, Mr. John Whyte, Q.C., Ms. Alma Wiebe, Q.C., Mr. John Stamatinos, Q.C., and Mr. Robert Arscott, F.C.A. (Secretary). Mr. Whyte designated Mr. Rod Crook as his representative at meetings of the Foundation. Mr. Frank MacBean, Q.C., retired from the Foundation on 31st December 2000 after a ten year tenure.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated at Regina, Saskatchewan, this 10th day of December A.D. 2001.

Mr. Harry Dahlem, Q.C.
Chairperson

Financial Statements of

LAW FOUNDATION

30th June 2001

Deloitte
& Touche

Deloitte
& Touche

AUDITORS' REPORT

To the Members of the
Law Foundation

We have audited the balance sheet of the Law Foundation as at June 30, 2001, and the statements of revenue, expenditures, grants and unallocated revenue for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants
Regina, Saskatchewan

October 12, 2001

Deloitte
Touche
Tohmatsu

LAW FOUNDATION

(Established Under the Legal Profession Act of Saskatchewan)

BALANCE SHEET
30th JUNE 2001

	2001	2000
ASSETS		
Cash	$ 108,430	$ 125,286
Interest receivable from solicitors' trust accounts	264,579	396,868
Investments - cost (Note 1)	7,636,625	5,426,665
Accrued interest on investments	304,020	467,129
Due from RBC Dominion Securities	123,655	53,169
	$8,437,309	$6,469,117
LIABILITIES, RESERVE AND UNALLOCATED REVENUE		
Accounts payable	$ -0-	$ 8,064
Grants payable	3,375,840	1,249,088
Grant stabilization reserve (Note 1)	5,000,000	5,000,000
Unallocated revenue	61,469	211,965
	$8,437,309	$6,469,117

On behalf of the Foundation

_____ Chairman

_____ Treasurer

"See Accompanying Notes"

Deloitte & Touche

LAW FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES, GRANTS AND UNALLOCATED REVENUE
30th JUNE 2001

		2001		2000
REVENUE:				
Interest from lawyer's mixed trust accounts		$3,392,303		$2,973,440
Interest earned on investments		414,195		285,477
		3,806,498		3,258,917
EXPENDITURES:				
Administrative				
Foundation members				
- per diem	$ 37,400		$ 24,500	
- meetings				
- regular	9,614		10,343	
- special	6,957		1,024	
Office, postage, stationary, telephone	24,105		19,093	
Office of the Secretary	74,392		65,695	
Professional fees	3,842		3,531	
		156,310		124,186
EXCESS OF REVENUE OVER EXPENDITURES		3,650,188		3,134,731
GRANTS AUTHORIZED IN THE YEAR - Schedule "1" (Note 1)		(3,823,050)		(1,894,452)
GRANTS RECOVERED		22,366		4,511
EXCESS OF EXPENDITURES AND GRANTS OVER REVENUE FOR THE YEAR (2000 EXCESS REVENUE)		(150,496)		1,244,790
UNALLOCATED REVENUE, BEGINNING OF YEAR		211,965		2,175
		61,469		1,246,965
ALLOCATION TO GRANT STABILIZATION RESERVE		-0-		(1,035,000)
UNALLOCATED REVENUE, END OF YEAR		$ 61,469		$ 211,965

"See Accompanying Notes"

Deloitte & Touche

LAW FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
30th JUNE 2001

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and reflect the following policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates.

Interest

Interest income is recorded as earned and results from client trust accounts of the members of the Law Society of Saskatchewan.

Investments

Interest income is recorded as earned. It is the Foundation's policy to hold all investments to maturity. The fair market value of investments approximates the cost of investments.

Grants

Grants are expensed at the time they are authorized by the Foundation.

Grant Stabilization Reserve

The Reserve is to provide protection for continuing grants in the event of future revenue reductions.

LAW FOUNDATION

GRANTS AUTHORIZED
30th JUNE 2001

Schedule "1"

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